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New Mexico Labor Market Review

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This month's issue features a special article entitled "U.S.-New Mexico Nonagricultural Employment Index" on p.7

Unemployment in New Mexico has followed no clear pattern between the months of July and August over the last ten years - rising in three of those years and falling in the other seven. New Mexico's unemployment rate increased minimally, from 6.5 to 6.6 percent, in August of this year, according to estimates released by Paul Garcia, Secretary of the New Mexico Department of Labor. Improvement continues to be evident in New Mexico's unemployment estimates, with the number of unemployed showing a decrease of 9,000 from one year ago and the jobless rate down from 7.8 to 6.6 percent over the year. The U.S. unemployment rate (not seasonally adjusted) was 5.1 percent in August, only slightly changed from the year ago rate of 5.4 percent.

Nonagricultural payroll employment rose between July and August by 2,100 jobs to a total of 553,600, according to the monthly survey of nonagricultural employers. Most sectors showed gains over the month, with mining, construction, manufacturing, transportation/utilities, trade and services adding employment since July. The mining sector added 100 jobs in metal mining and 100 jobs in oil and gas extraction, a strong increase given the time of year. Nondurable goods manufacturing increased by 800, which is expected due to annual chile harvesting and vegetable processing. Trade employment jumped by 1,500 jobs, attributable to the approach of the school year. There was no change in employment in the finance/real estate sector. Notably, only the government sector lost jobs, due to a routine layoff of term employees at the Social Security Administration and the end of summer youth employment programs.

The survey of nonagricultural employment shows a year-to-year increase of 13,700 jobs statewide. The rate of annual increase has moderated somewhat over the summer: falling from 3.0 percent in June and 2.7 percent in July, to 2.5 percent in August. Quarterly growth rates for nonagricultural employment were 2.4 percent in fourth quarter 1988, 2.4 percent in first quarter 1989, and 2.7 percent in second quarter 1989. Leading in annual growth rates are the manufacturing, services, and trade sectors. Construction and transportation both employ fewer workers than a year ago; but, the outlook for the construction sector should improve if forecasts of declining interest rates over the next year or so are correct.

	Prel.	Revised		Change From	
	Aug. 1989	July 1989	Aug. 1988	July. 1989	Aug. 1988
Civilian Labor Force	694,600	694,100	705,000	+ 500	-10,400
Employment	648,600	649,000	650,000	- 400	-1,400
Unemployment	46,000	45,100	55,000	+ 900	-9,000
Rate	6.6%	6.5%	7.8%		

ESTIMATED NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (JOBS)
(Prepared in cooperation with the U.S. Bureau of Labor Statistics)

NEW MEXICO	PRELIM AUG 1989	REVISED JUL 1989	REVISED AUG 1988	AUG CHANGE FROM JUL 1989	AUG CHANGE FROM AUG 1988
TOTAL NONAGRICULTURAL EMPLOYMENT 1/	553,600	551,500	539,900	2,100	13,700
MINING	15,800	15,600	15,400	200	400
Metal Mining	2,200	2,100	2,100	100	100
Bituminous Coal, Quarrying etc	4,300	4,300	3,900	0	400
Oil & Gas Extraction	9,300	9,200	9,400	100	-100
CONSTRUCTION	31,300	31,100	31,700	200	-400
MANUFACTURING	42,500	41,200	40,800	1,300	1,700
DURABLE GOODS	28,500	28,000	27,200	500	1,300
Lumber & Wood Products	2,600	2,600	2,600	0	0
Machinery(except electric)	2,600	2,700	2,700	-100	-100
Elec & Electronic Equip	5,900	5,600	5,400	300	500
Transportation Equipment	5,300	5,300	5,200	0	100
Other Durable Goods	12,100	11,800	11,300	300	800
NONDURABLE GOODS	14,000	13,200	13,600	800	400
Food & Kindred Products	4,600	3,900	4,400	700	200
Textile & Apparel	2,700	2,700	2,700	0	0
Other Nondurable Goods	6,700	6,600	6,500	100	200
TRANSPORTATION & PUBLIC UTILITIES	28,000	27,800	28,300	200	-300
TRANSPORTATION	13,300	13,100	12,800	200	500
Railroad Transportation	2,100	2,100	2,100	0	0
Trucking & Warehousing	7,100	7,000	6,700	100	400
Other Transportation	4,100	4,000	4,000	100	100
COMMUNICATION & PUBLIC UTILITIES	14,700	14,700	15,500	0	-800
Communication	6,500	6,500	6,600	0	-100
Elec, Gas, & Sanitary Services	8,200	8,200	8,900	0	-700
WHOLESALE & RETAIL TRADE	137,000	135,500	132,800	1,500	4,200
WHOLESALE TRADE	23,400	23,500	23,200	-100	200
Durable Goods	13,600	13,500	13,500	0	100
Nondurable Goods	9,800	9,900	9,700	-100	100
RETAIL TRADE	113,600	112,000	109,600	1,600	4,000
Bldg Material & Mobile Homes	4,500	4,500	4,300	0	200
General Merchandise Stores	12,600	12,300	12,400	300	200
Food Stores	15,000	14,800	15,000	200	0
Auto Dealers & Service Stations	14,100	14,100	14,000	0	100
Apparel & Accessories	5,600	5,500	5,500	100	100
Furniture & Furnishing	4,400	4,400	4,400	0	0
Eating & Drinking Places	45,000	44,100	42,000	900	3,000
Miscellaneous Retail	12,400	12,300	12,000	100	400
FINANCE, INSURANCE, & REAL ESTATE	27,700	27,700	27,400	0	300
Banking	7,900	7,900	8,100	0	-200
Insurance Carriers	4,300	4,300	4,100	0	200
Insur Agents, Brokers & Service	3,100	3,100	3,000	0	100
Real Estate	6,600	6,600	6,300	0	300
Other Fin, Ins & Real Estate	5,800	5,800	5,900	0	-100
SERVICES	136,000	135,800	130,500	200	5,500
Hotels & Other Lodging Places	12,700	12,600	12,100	100	600
Personal Services	6,100	6,000	6,100	100	0
Business Services	33,400	33,300	31,900	100	1,500
Health Services	32,500	32,600	32,000	-100	500
Legal Services	4,700	4,700	4,500	0	200
Educational Services	4,300	4,100	4,400	200	-100
Social Services	7,600	7,700	7,500	-100	100
Membership Organizations	8,400	8,600	7,700	-200	700
Other Services	26,300	26,200	24,300	100	2,000
TOTAL GOVERNMENT	135,300	136,800	133,000	-1,500	2,300
FEDERAL GOVERNMENT	31,100	31,500	30,100	-400	1,000
STATE & LOCAL GOVERNMENT	104,200	105,300	102,900	-1,100	1,300
State Government 2/	45,600	45,700	44,800	-100	800
Universities	20,500	19,600	17,400	900	3,100
Local Government	58,600	59,600	58,100	-1,000	500
Schools	33,500	33,600	33,400	-100	100

1/ Estimates include all full-time and part-time wage and salary workers who worked or received pay during the pay period which included the 12th day of the month. Self-employed, family workers, household workers and members of the Armed Forces are excluded.
2/ Includes employees of Los Alamos National Laboratory.

ALBUQUERQUE AREA (BERNALILLO COUNTY)

Albuquerque's unemployment rate crept up by 0.3 of a percentage point in August and is now 5.4 percent. Although unemployment increased by 900 since July, Albuquerque job seekers still numbered 2,100 less than in August 1988.

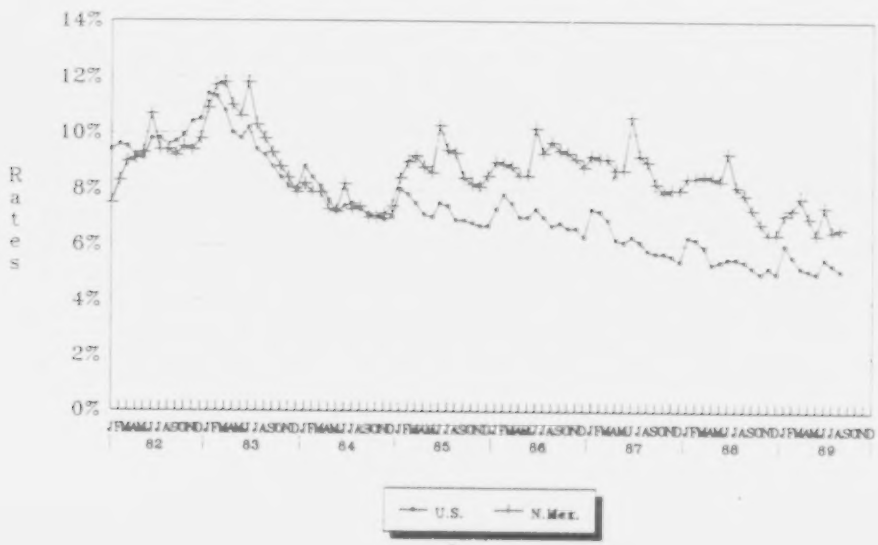
According to the monthly survey of employers in Albuquerque, nonagricultural employment was up slightly by 600 jobs since July. Employment in construction (+200), manufacturing (+300), trade (+500) and services (+200) posted gains for the month. Finance/insurance and transportation/public utilities were unchanged since July. The manufacturing gain was due in part to the resumption of operations after a temporary summer layoff at a local plant. The government loss over the month is due to a Social Security Administration layoff of term employees and the end of summer youth programs.

Total nonagricultural employment in Bernalillo County grew by 5,100 since August 1988 for a 2.2 percent increase. Manufacturing was up by 2.0 percent with the gain of 400 split evenly between durable and nondurable goods. A recent rash of layoff announcements from local electronic manufacturers has clouded the outlook for manufacturing in Bernalillo County. Published reports of workforce reductions have come from Signetics, Intel (Sandoval County), Honeywell and Digital. Transportation & public utilities increased by 300 jobs or 2.4 percent over the year, while trade has added 1,600 jobs (2.6 percent). The finance, insurance & real estate sector posted increases of 100 in banking and 300 in insurance. Service employment grew by 1,600 (2.4 percent) - all subsectors except hotel/other lodging added positions. Government increased by 1,100 jobs over last August, with federal up by a scant 100 and state & local up by 1,000 jobs. Construction employment on an annual basis sagged this month and last, down 300 in August and 400 in July, although the expected decline in the interest rate structure (mentioned on the front page of this issue) may act to pull construction out of the doldrums.

	Prel.	Revised		Change From	
	Aug. 1989	July. 1989	Aug. 1988	July. 1989	Aug. 1988
Civilian Labor Force	267,400	265,700	268,600	+1,700	-1,200
Employment	252,900	252,100	252,000	+ 800	+ 900
Unemployment	14,500	13,600	16,600	+ 900	-2,100
Rate	5.4%	5.1%	6.2%		

Unemployment Rates

Not Seasonally Adjusted



ESTIMATED NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (JOBS)
(Prepared in cooperation with the U.S. Bureau of Labor Statistics)

ALBUQUERQUE MSA (BERNALILLO COUNTY)	PRELIM AUG 1989	REVISED JUL 1989	REVISED AUG 1988	AUG CHANGE FROM JUL 1989	AUG CHANGE FROM AUG 1988
TOTAL NONAGRICULTURAL EMPLOYMENT 1/	240,200	239,600	235,100	600	5,100
MINING	100	100	100	0	0
CONSTRUCTION	15,100	14,900	15,400	200	-300
MANUFACTURING	20,900	20,600	20,500	300	400
Durable Goods	14,900	14,700	14,700	200	200
Nondurable Goods	6,000	5,900	5,800	100	200
TRANSPORTATION & PUBLIC UTILITIES	12,700	12,700	12,400	0	300
Transportation	6,900	6,900	6,400	0	500
Communication	3,600	3,600	3,600	0	0
Elec, Gas, & Sanitary Services	2,200	2,200	2,400	0	-200
WHOLESALE & RETAIL TRADE	62,600	62,100	61,000	500	1,600
WHOLESALE TRADE	14,700	14,500	14,300	200	400
Durable Goods	9,700	9,600	9,500	100	200
Nondurable Goods	5,000	4,900	4,800	100	200
RETAIL TRADE	47,900	47,600	46,700	300	1,200
General Merchandise Stores	5,000	4,900	4,800	100	200
Food Stores	5,400	5,300	5,300	100	100
Auto Dealers & Service Stations	5,000	5,100	5,100	-100	-100
Eating & Drinking Places	19,400	19,200	18,700	200	700
Other Retail Trade	13,100	13,100	12,800	0	300
FINANCE, INSURANCE, & REAL ESTATE	15,500	15,500	15,100	0	400
Banking	3,400	3,400	3,300	0	100
Ins Carriers, Agents & Brokers	4,800	4,800	4,500	0	300
Other Fin, Ins & Real Estate	7,300	7,300	7,300	0	0
SERVICES	67,800	67,600	66,200	200	1,600
Hotels & Other Lodging Places	3,800	3,800	3,800	0	0
Personal Services	3,100	3,100	3,000	0	100
Business Services	22,400	22,300	22,000	100	400
Health Services	15,300	15,300	15,100	0	200
Social Services	3,400	3,300	3,100	100	300
Membership Organizations	2,300	2,300	2,200	0	100
Other Services	17,500	17,500	17,000	0	500
TOTAL GOVERNMENT	45,500	46,100	44,400	-600	1,100
FEDERAL GOVERNMENT	13,300	13,700	13,200	-400	100
STATE & LOCAL GOVERNMENT	32,200	32,400	31,200	-200	1,000
State Government	11,300	10,700	11,200	600	100
Local Government	20,900	21,700	20,000	-800	900

1/ Estimates include all full-time and part-time wage and salary workers who worked or received pay during the pay period which included the 12th day of the month. Self-employed, family workers, household workers and members of the Armed Forces are excluded.

ESTIMATED NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (JOBS)
(Prepared in cooperation with the U.S. Bureau of Labor Statistics)

LAS CRUCES MSA (DONA ANA COUNTY) 1/	PRELIM AUG 1989	REVISED JUL 1989	REVISED AUG 1988	AUG CHANGE FROM JUL 1989	AUG CHANGE FROM AUG 1988
TOTAL NONAGRICULTURAL EMPLOYMENT 2/	40,850	39,450	39,200	1,400	1,650
MINING	50	50	50	0	0
CONSTRUCTION	2,400	2,400	2,300	0	100
MANUFACTURING	3,900	3,600	4,100	300	-200
Durable Goods	1,600	1,600	1,600	0	0
Nondurable Goods	2,300	2,000	2,500	300	-200
TRANSPORTATION & PUBLIC UTILITIES	1,250	1,200	1,300	50	-50
Transportation	400	350	400	50	0
Comm, Elec, Gas & Sanitary Svs	850	850	900	0	-50
WHOLESALE & RETAIL TRADE	9,200	9,000	8,800	200	400
WHOLESALE TRADE	1,000	1,000	950	0	50
RETAIL TRADE	8,200	8,000	7,850	200	350
General Merchandise Stores	850	850	900	0	-50
Food Stores	1,150	1,150	1,100	0	50
Auto Dealers & Service Stations	1,100	1,050	1,000	50	100
Eating & Drinking Places	3,200	3,100	3,100	100	100
Other Retail Trade	1,900	1,850	1,750	50	150
FINANCE, INSURANCE, & REAL ESTATE	1,800	1,800	1,750	0	50
SERVICES	6,750	6,600	6,300	150	450
Hotels & Other Lodging Places	700	700	700	0	0
Business Services	1,450	1,400	1,300	50	150
Health Services	1,900	1,900	1,800	0	100
Social Services	300	300	300	0	0
Other Services	2,400	2,300	2,200	100	200
TOTAL GOVERNMENT	15,500	14,800	14,600	700	900
FEDERAL GOVERNMENT	4,300	4,300	4,300	0	0
STATE & LOCAL GOVERNMENT	11,200	10,500	10,300	700	900
State Government	6,000	5,600	5,200	400	800
Local Government	5,200	4,900	5,100	300	100

SANTA FE MSA (SANTA FE & LOS ALAMOS COUNTIES) 1/	PRELIM AUG 1989	REVISED JUL 1989	REVISED AUG 1988	AUG CHANGE FROM JUL 1989	AUG CHANGE FROM AUG 1988
TOTAL NONAGRICULTURAL EMPLOYMENT 2/	57,750	57,800	56,500	-50	1,250
MINING	100	100	100	0	0
CONSTRUCTION	2,700	2,700	2,800	0	-100
MANUFACTURING	1,700	1,700	1,650	0	50
Durable Goods	1,100	1,100	1,050	0	50
Nondurable Goods	600	600	600	0	0
TRANSPORTATION & PUBLIC UTILITIES	1,100	1,100	1,150	0	-50
Transportation	450	450	450	0	0
Comm, Elec, Gas & Sanitary Svs	650	650	700	0	-50
WHOLESALE & RETAIL TRADE	11,650	11,500	11,100	150	550
WHOLESALE TRADE	950	900	850	50	100
RETAIL TRADE	10,700	10,600	10,250	100	450
General Merchandise Stores	950	950	950	0	0
Food Stores	1,300	1,300	1,200	0	100
Auto Dealers & Service Stations	850	850	800	0	50
Eating & Drinking Places	4,900	4,800	4,700	100	200
Other Retail Trade	2,700	2,700	2,600	0	100
FINANCE, INSURANCE, & REAL ESTATE	1,950	1,950	2,000	0	-50
SERVICES	15,850	15,950	15,700	-100	150
Hotels & Other Lodging Places	2,350	2,300	2,300	50	50
Business Services	3,500	3,600	3,500	-100	0
Health Services	3,600	3,600	3,500	0	100
Social Services	700	750	700	-50	0
Other Services	5,700	5,700	5,700	0	0
TOTAL GOVERNMENT	22,700	22,800	22,000	-100	700
FEDERAL GOVERNMENT	1,700	1,700	1,700	0	0
STATE & LOCAL GOVERNMENT	21,000	21,100	20,300	-100	700
State Government 3/	17,100	17,100	16,400	0	700
Local Government	3,900	4,000	3,900	-100	0

1/ In accordance with the CES Manual, those published cells with less than 2,000 employees are rounded to nearest 50. Those published cells with more than 2,000 employees are rounded to 100.
2/ Estimates include all full-time and part-time wage and salary workers who worked or received pay during the pay period which included the 12th day of the month. Self-employed, family workers, household workers and members of the Armed Forces are excluded.
3/ Includes employees of Los Alamos National Laboratory.

AVERAGE HOURS AND EARNINGS
Hours and Earnings of Production, Construction and Nonsupervisory Employees
(Prepared in cooperation with the U. S. Bureau of Labor Statistics)

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
NEW MEXICO	AUG 1989	JUL 1989	AUG 1988	AUG 1989	JUL 1989	AUG 1988	AUG 1989	JUL 1989	AUG 1988
MINING	$538.12	$555.72	$540.86	44.0	44.0	43.2	12.23	12.63	12.52
CONSTRUCTION	$462.16	$447.33	$449.85	39.4	39.0	40.6	11.73	11.47	11.08
MANUFACTURING	$311.25	$348.48	$337.98	37.5	39.6	39.3	8.30	8.80	8.60
Durable Goods	$331.63	$367.54	$360.80	37.9	40.3	40.0	8.75	9.12	9.02
Nondurable Goods	$261.72	$301.31	$290.32	36.3	37.9	38.1	7.21	7.95	7.62
COMMUNICATION & UTILITIES	$605.44	$600.06	$578.69	43.0	42.8	41.1	14.08	14.02	14.08
WHOLESALE & RETAIL TRADE	$220.75	$224.16	$214.77	31.9	32.3	32.2	6.92	6.94	6.67
Wholesale Trade	$379.85	$387.30	$356.85	38.8	39.2	36.6	9.79	9.88	9.75
Retail Trade	$190.64	$193.13	$187.17	30.6	31.0	31.3	6.23	6.23	5.98
BANKING	$250.25	$271.35	$236.07	38.5	40.5	38.7	6.50	6.70	6.10
ALBUQUERQUE MSA	AUG 1989	JUL 1989	AUG 1988	AUG 1989	JUL 1989	AUG 1988	AUG 1989	JUL 1989	AUG 1988
MANUFACTURING	$378.68	$375.31	$376.81	40.2	39.8	40.3	9.42	9.43	9.35
Durable Goods	$410.85	$406.55	$396.76	41.5	40.9	41.2	9.90	9.94	9.63
Nondurable Goods	$287.99	$284.28	$313.79	36.5	36.4	37.4	7.89	7.81	8.39

NOTE: Estimates include all full-time and part-time wage and salary workers who worked or received pay during the pay period which included the 12th day of the month. Self-employed, family workers, household workers and members of the Armed Forces are excluded. The average earnings are "gross" reflecting not only changes in basic hourly and incentive wage rates but also such factors as premium pay for overtime and shift differentials. The work week information relates to the average hours for which pay was received, and is different from standard or scheduled hours due to absenteeism, labor turnover, part time work, overtime work etc.

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U.S. CONSUMER PRICE INDEX

Historical data for the CPI series are available from the U.S. Department of Labor by writing to the Bureau of Labor Statistics, 525 Griffin St., Rm. 221, Dallas, TX 75202, or by calling (214) 767-6970.

	Aug. 1989	Jul. 1989	Aug. 1988	Percent Change Jul. '89-Aug. '89	Aug. '88-Aug. '89
CPI-U	124.6	124.4	119.0	+0.2%	+4.7%
CPI-W	123.2	123.2	117.7	+0.0%	+4.7%

Index Base Year 1982-84 = 100

CPI-U - All Urban Consumers
CPI-W - Urban Wage Earners and Clerical Workers

Source: U.S. Department of Labor, Bureau of Labor Statistics

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U.S.- New Mexico Nonagricultural Employment Index
By Gerard Bradley, Economic Analyst

This issue of the Labor Market Review presents a new monthly feature: an index of New Mexico and U.S. nonagricultural employment. The intent of this new feature is to assess the comparative performance of the nonagricultural employment series nationally and statewide. The best way of accomplishing this is with an index. The index number reported each month will be calculated using mean nonagricultural employment in 1980 as a denominator or base and current month nonagricultural employment (not seasonally adjusted) as the numerator. For example, the U.S. index shown on Graph 1 is computed by taking the monthly nonagricultural employment amount for each month from January 1980 forward and dividing by the mean nonagricultural amount for 1980. This month's Labor Market Review provides a series of graphs, with commentary, of nonagricultural employment by major industrial sector as well as the U.S.- New Mexico comparison graph which will become a permanent feature of the Review.

Looking back over the 1980's, the New Mexico nonagricultural employment index stood at a higher level than the U.S. index up to 1987, after nearly identical movements in 1980 (see Graph 1). The reversal of the pattern in 1987 reflects a national economy less shaken by, or even benefitting from, events that adversely affected employment in the state - specifically falling oil and uranium prices as well as less than projected growth in demand for electricity. These factors led to significant difficulties in the New Mexico mining and transportation/public utilities sectors - a perverse side effect of favorable costs of production in the national economy that contributed to the long U.S. expansion. Another cause of the reversal has been the decline in construction industry employment, which can be attributed at least partially to overly enthusiastic building activity in the early part of the decade and a corrective slowdown in the last five years.

The manufacturing employment index for New Mexico shows a sector undergoing healthy growth, increasing by a quarter since 1980 while U.S. manufacturing employment remained stable (Graph 2). New Mexico manufacturing growth is clearly a glowing success story. However, caution is warranted in assessing the performance of the U.S. manufacturing sector as subpar. Productivity increases have occurred in many national manufacturing sectors and stable rather than increasing employment can accompany production increases and declining costs under these circumstances.

Mining employment levels in New Mexico and to a lesser extent in the U.S. were decimated over the course of the decade (see Graph 3). The U.S. mining index moved higher than that of New Mexico in 1981 and has maintained this position throughout the period of decline that set in shortly after. The relatively low price of imported oil directly affected New Mexico oil and gas production and therefore employment in this sector. The near-total collapse of the domestic uranium industry is also reflected in the index - domestic uranium is more expensive to produce than uranium from other areas (e.g. Canada, the U.S.S.R., southern Africa or Australia) due to a congeries of technical, economic, and political factors. Declining need for uranium in both fuel and weapons applications has squeezed the uranium market from the demand side as well. Also, such a positive development as increased demand for copper, of which New Mexico is a major supplier, has not significantly increased employment in the industry due to substantial productivity gains.

Although the construction sector displays the pronounced seasonal pattern conventionally expected at both the state and national level, the growth trend has diverged dramatically since 1985, as the

New Mexico index fell to 0.9 while the national index increased to 1.6 (see Graph 4). It hardly bears repeating that construction has performed poorly in New Mexico over the last five years.

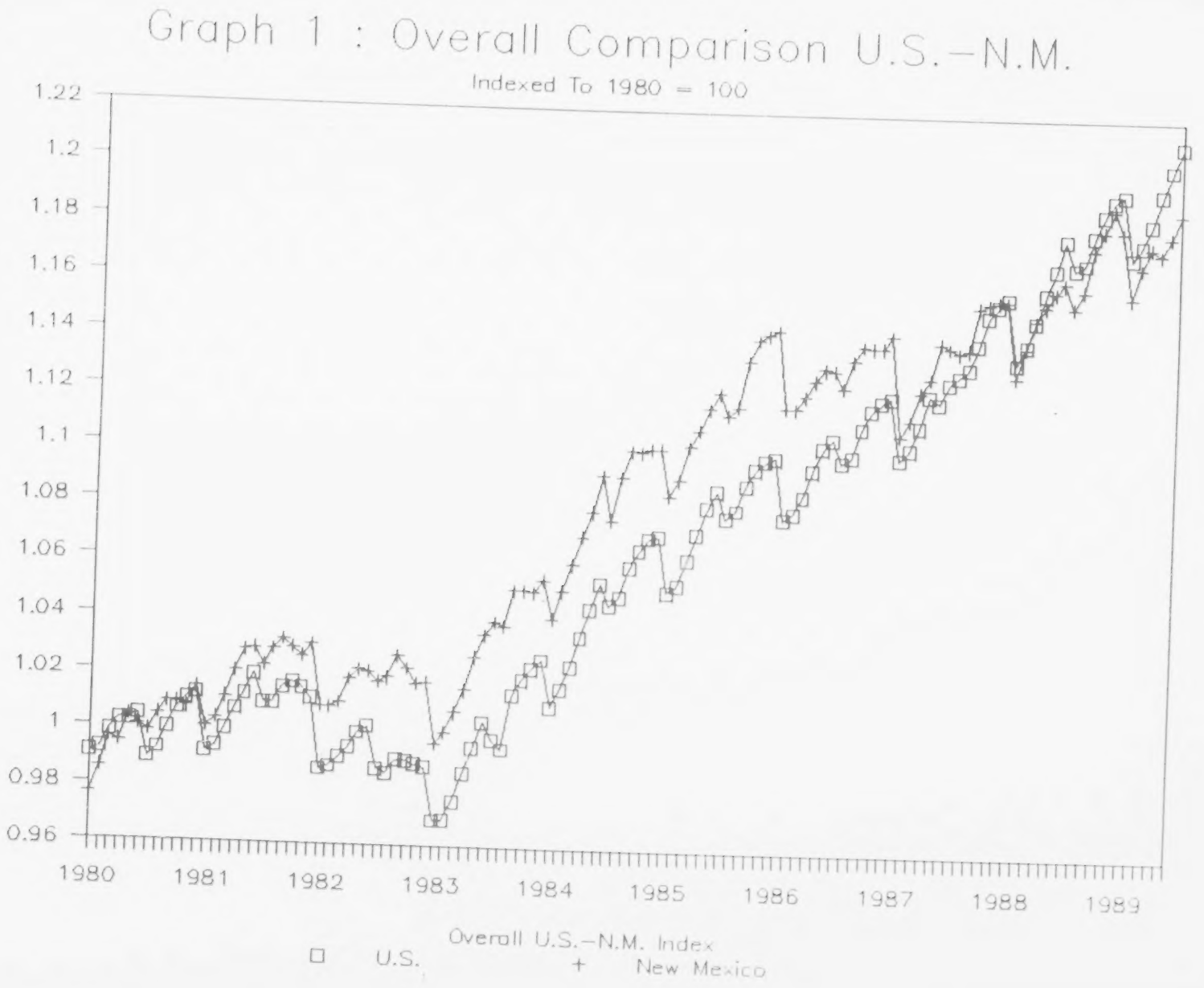
Transportation, communication and public utility employment grew substantially less in New Mexico than in the U.S. from 1985 on (Graph 5), well before the Public Service Company of New Mexico layoffs in 1988, which merely accentuated an already existing trend. Public Service Company's difficulties stemmed largely from overly optimistic forecasts of electricity demand widely accepted in the early to mid 1970's. The sharp drop in the national index in 1983 is due to a strike in telecommunications. Deregulation of the telecommunications industry led to some job loss in New Mexico. Transportation sub-sectors such as railroad and passenger transportation underwent some job-reducing consolidation during the 1980's.

In the trade sector, New Mexico and U.S. performance has been quite similar in the course of the 1980's with comparable growth rates and seasonal patterns in evidence (Graph 6). This sector, along with the services sector, seems to move in tandem with personal income, and healthy personal income growth has accompanied good trade sector performance.

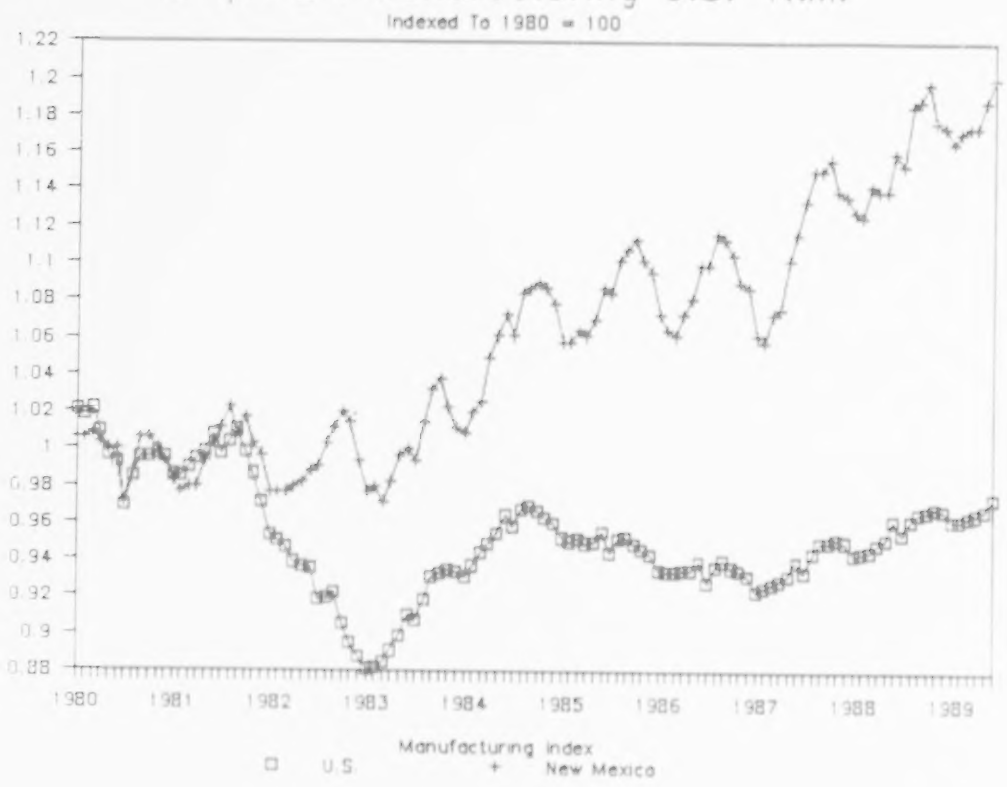
The New Mexico index for finance, insurance and real estate had been increasing more quickly than the U.S. index up to 1987. The two indexes have been tracking quite closely since that time (Graph 7). Analysts generally expect this sector to be influenced by the number of housing units authorized as well as total employment and real disposable personal income. The direction, although not the magnitude, of employment changes in the construction sector tends to be reflected in this sector.

The service index (Graph 8) indicates that employment in the services sector in New Mexico and the U.S. grew at a similar rate through 1987. Since that time, the U.S. services sector has outperformed New Mexico somewhat. This is mainly attributable to faster national job growth in the lodging, health, and business services subsectors in 1988. Especially notable is the lodging places growth patterns in 1988 which reflect almost 10 percent growth nationwide versus almost no change in lodging employment in New Mexico. However, estimates so far in 1989 indicate some renewed job growth in the state, up by 5 percent annually as of August 1989.

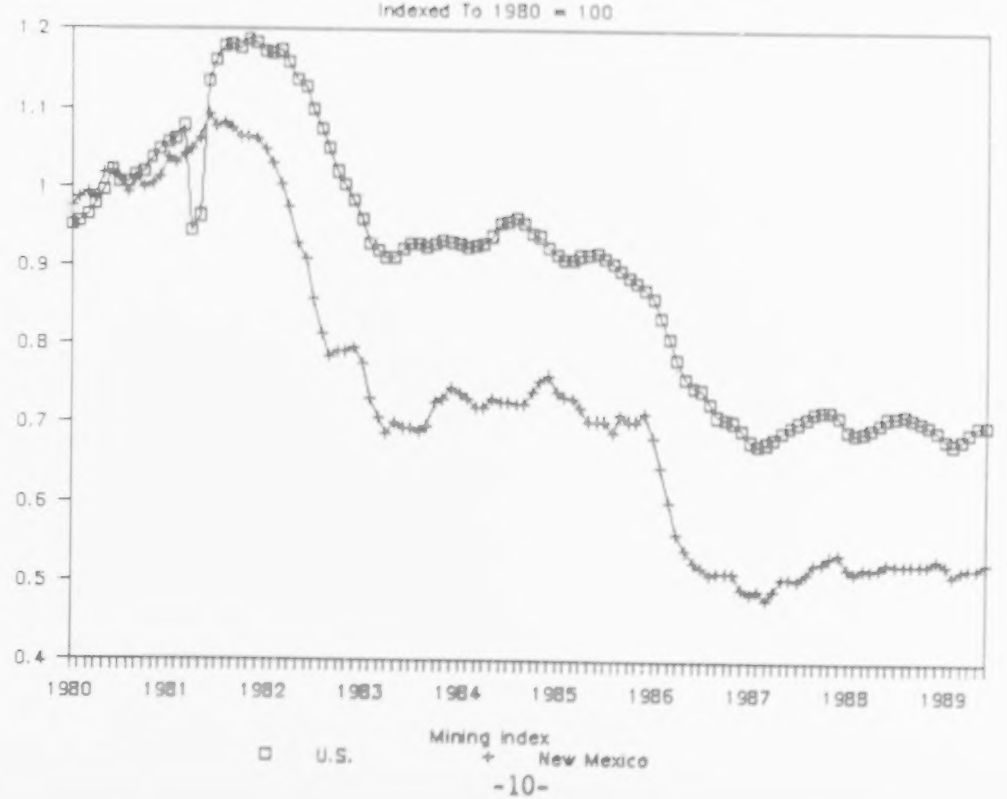
The government employment index has behaved similarly in the U.S. and New Mexico over the course of the decade. As has been often pointed out, New Mexico employment is greatly affected by the activities of the U.S. Departments of Defense and Energy as well as Los Alamos National Laboratory, classified under State government. These defense-related activities (as well as those at Sandia Laboratories and other defense contractors found in the business services sector) tend to represent stable and well-paid employment - subject ultimately to the exigencies of the international situation. The ongoing reduction of superpower antagonism, for example, could pose a question as to the long-term maintenance of the current level of defense activity in the state. It should be remarked that pronounced seasonal fluctuations apparent in the graph are formed by the school year employment cycle (Graph 9).


Graph 1 : Overall Comparison U.S.–N.M.
Indexed To 1980 = 100
1.22
1.2
1.18
1.16
1.14
1.12
1.1
1.08
1.06
1.04
1.02
1
0.98
0.96
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989
Overall U.S.–N.M. Index
U.S.
New Mexico

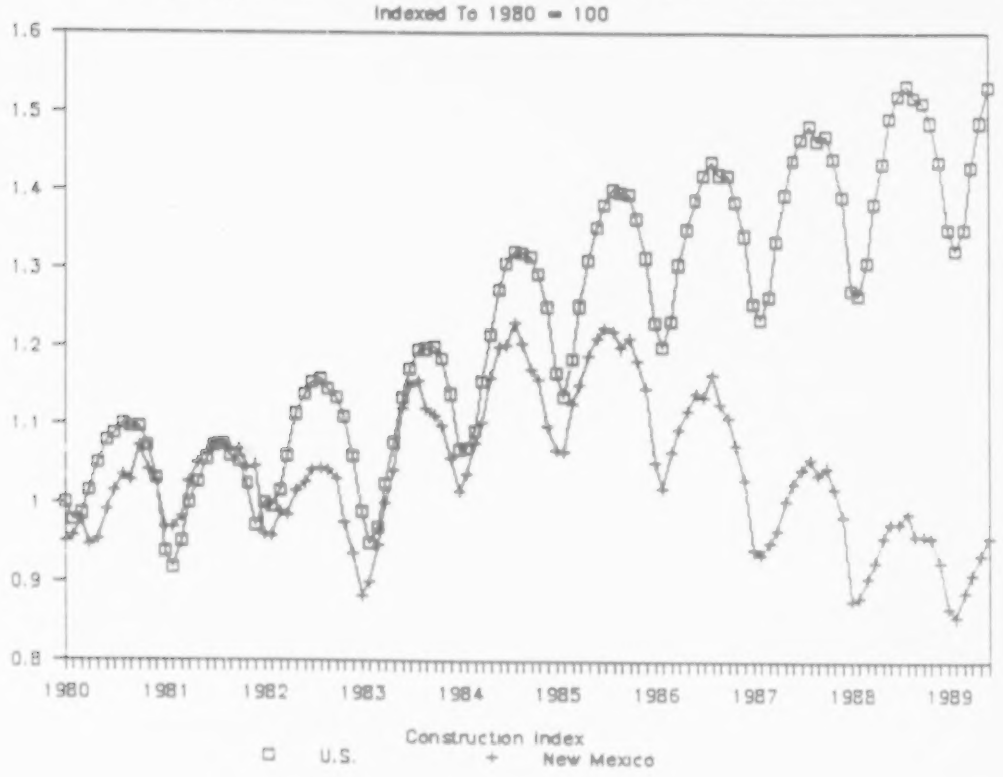
Graph 2 : Manufacturing U.S.–N.M.



Graph 3 : Mining U.S.–N.M.



Graph 4 : Construction U.S.—N.M.



Graph 5 : T.C.P.U. U.S.—N.M.

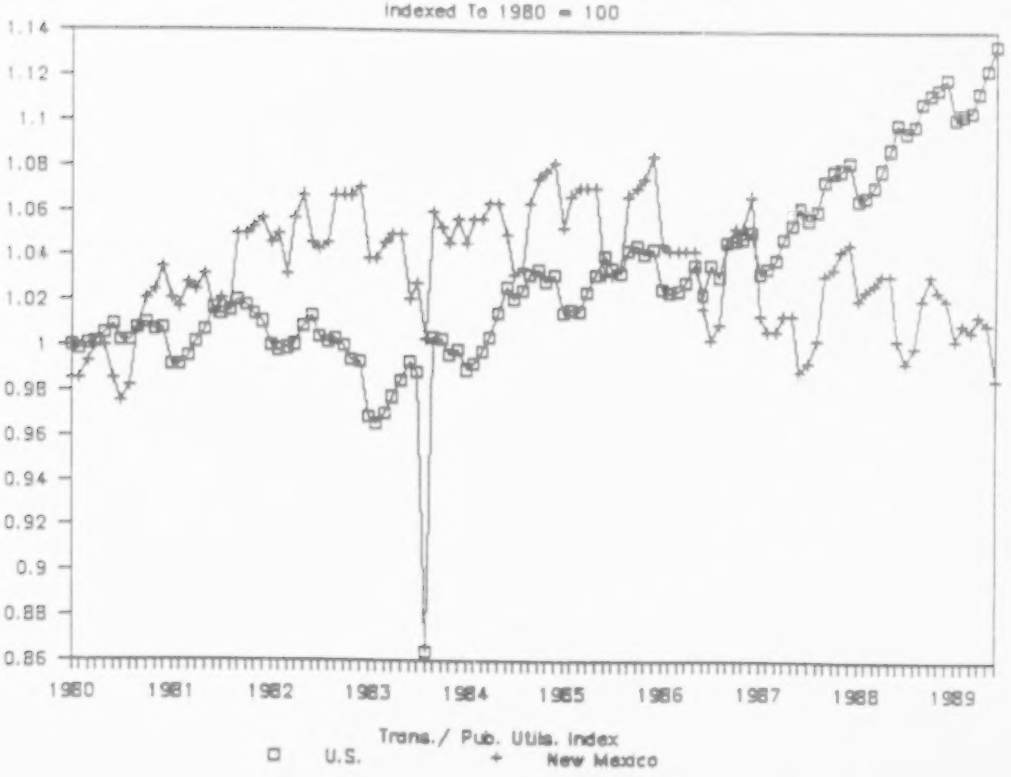
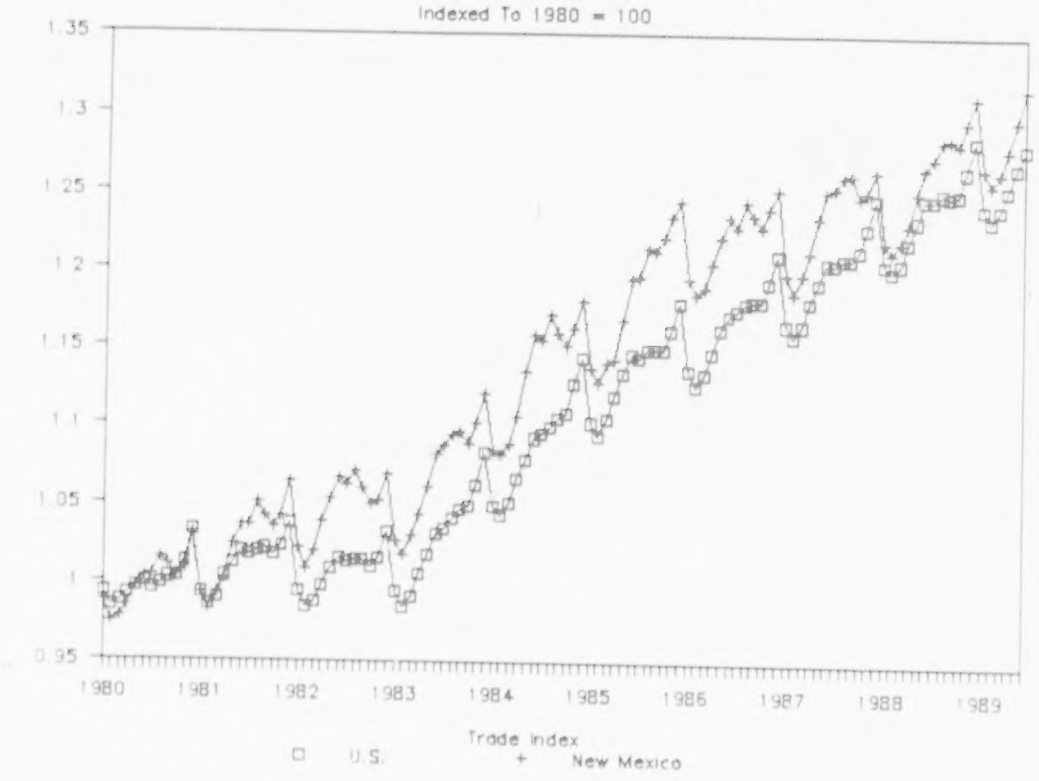
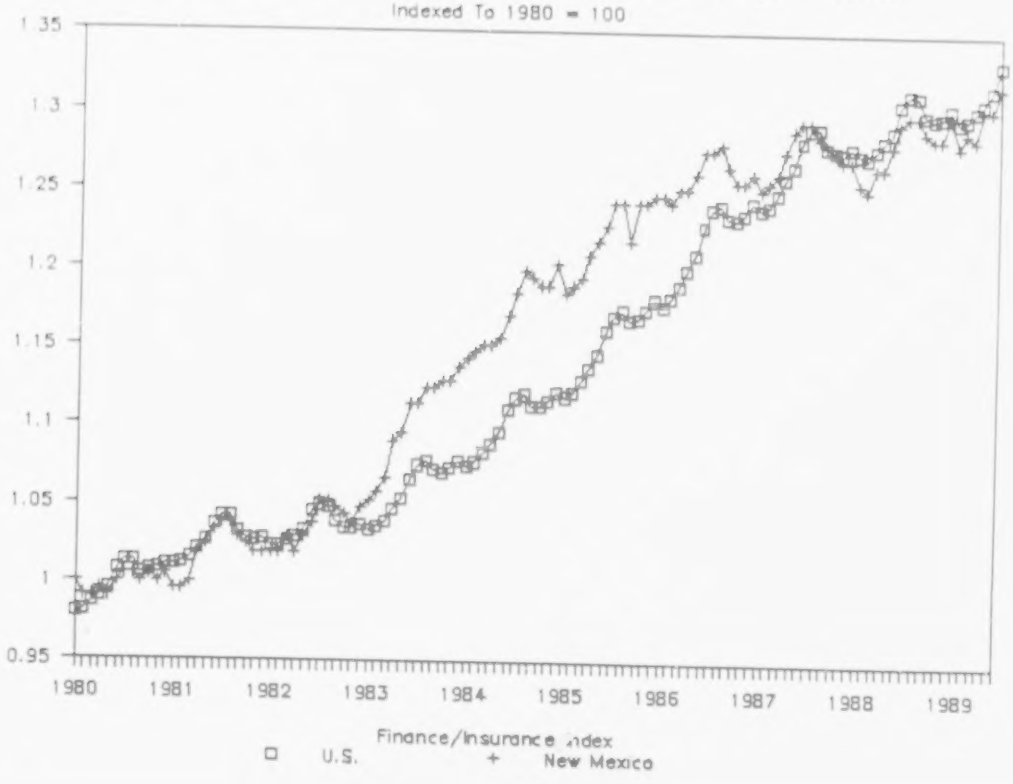


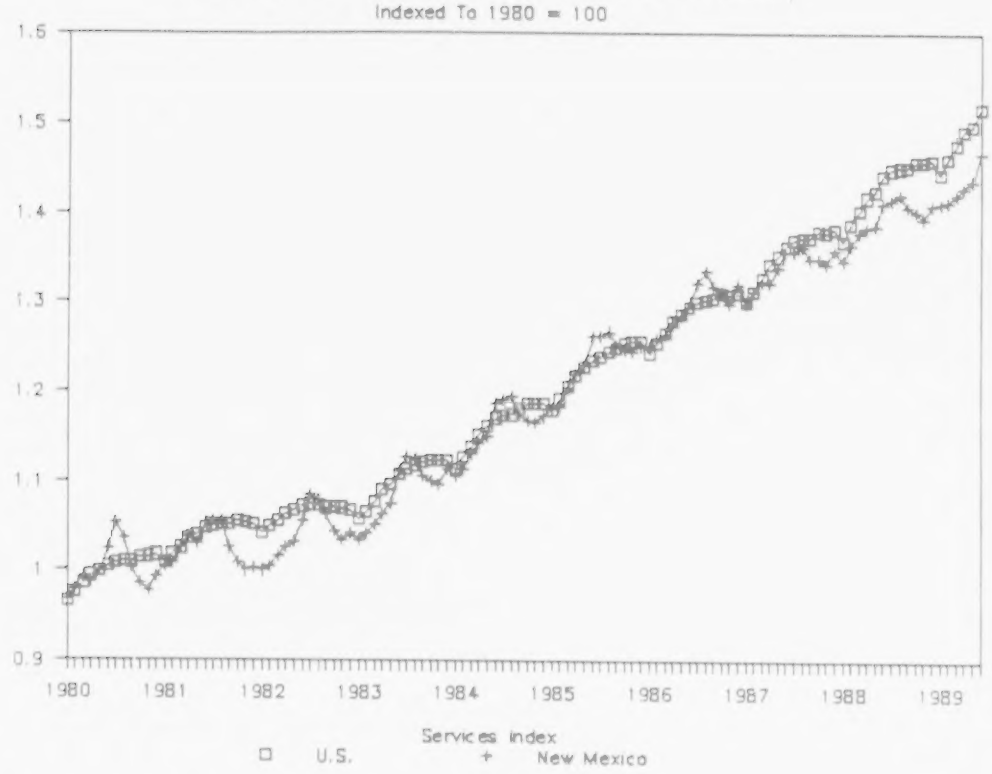
Table 6 : Trade U.S.–N.M.



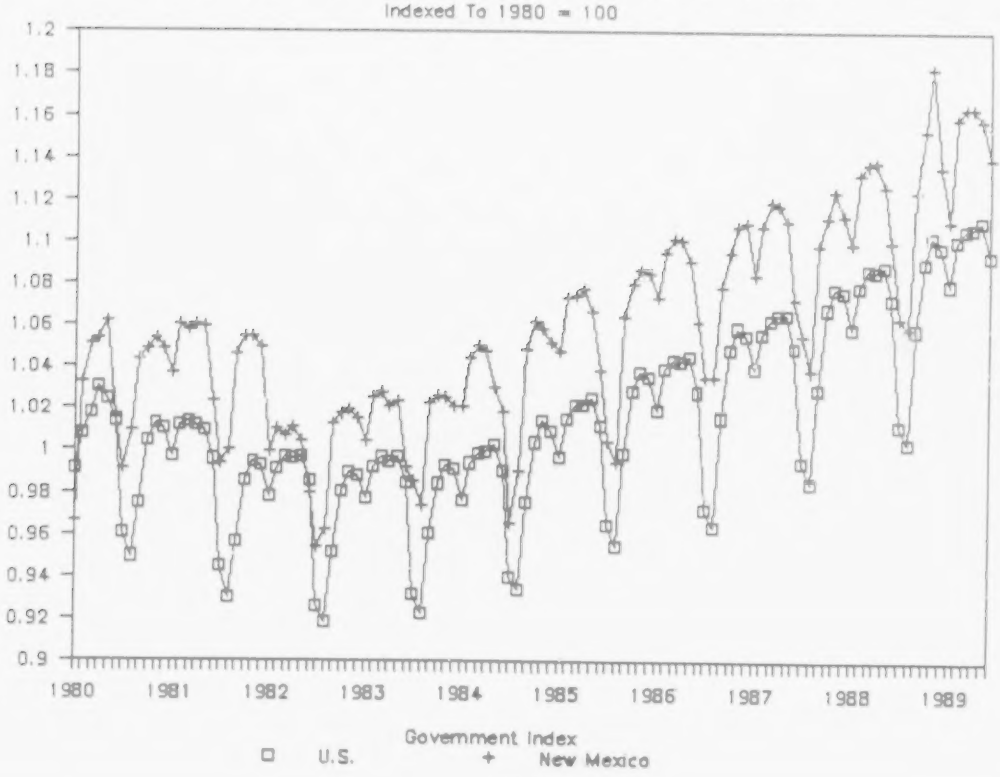
Graph 7 : Finance/Insurance U.S.–N.M.



Graph 8 : Services U.S.–N.M.



Graph 9 : Government U.S.–N.M.



Area Economic Activity

(Source: Published Articles and Reports from Department of Labor Service Centers)

Statewide: Recent reports indicate that the **New Mexico tourist** industry could be enjoying its best year ever as tourist expenditures are expected to be $2.2 billion, 16 % more than two years ago. A report by the U.S. Travel Data Center predicted that tourists would provide jobs for 52,380 residents as opposed to 45,708 two years ago. **The Western Wood Products Association Economic Services Department** reported timber employment for New Mexico at 2,500 for 1988 and 2,600 for 1987. The estimated wholesale value of lumber production for 1988 is $64 million and $60 million for 1987. According to the **New Mexico Department of Agriculture**, cash receipts for farming and ranching were up by 13 percent in 1988 yielding a total of $1,156 million. Income for crops was valued at $338.9 million with livestock products valued at $816.7 million. According to Erling Brostuen, director of the **New Mexico's Mining and Minerals Division**, the State's extractive industries provide 16,000 jobs, with an annual payroll of $412 million, and bring in $500 million in state revenues annually. The value of copper produced in New Mexico increased to $418 million in 1988 even though volume was down. New Mexico's 1988 coal production was 12 percent over 1987 yielding an all-time high of over 21.7 million tons. The rise was primarily attributable to the state's two largest mines, the Navajo and the McKinley. Employment in the potash industry, concentrated between Carlsbad and Hobbs, was up 12 percent from 1,653 in '87 to 1,870 in '88. Mississippi Chemical Corp. reopened late in 1988 with employment of 160 and AMAX Potash Corp. is now considering a two to five year operating plan. According to a study released by the state Highway and Transportation Department, **a rapid-rail system** from Albuquerque to Santa Fe could carry more than 2 million riders and generate more than $6.5 million in revenue annually. The study concludes that the rail service would be economically feasible and warrants further analysis. **Build New Mexico**, a trust which uses the contributions of about 9,000 union members and contractors to market the state's union construction industry, has brought together 14 unions and five contractor associations. BNM has helped to put to work about 100 members of union crafts in the process.

Albuquerque Area: A report produced by the Bureau of Business and Economic Research at the University of New Mexico entitled **"Socioeconomic Projections for Albuquerque 1980 - 2000"** forecasts only moderate population growth through the year 2000 for the Albuquerque area. Yearly growth rates will be 1.7 percent in the 90's as opposed to 2.4 percent in the 80's. The population in the area is expected to grow by some 10,000 each year while the number of jobs will grow by 5,000. Albuquerque's **Signetics** microchip plant will cut up to 100 jobs in September according to plant manager John McGerigle. McGerigle estimates that about 5 to 10 percent of the 1,030 Signetics workers in Albuquerque will lose their jobs. The cutback is part of a companywide effort to bring spending into line with revenues. In a separate issue, Signetics Corp.'s highest ranking executive in Albuquerque stated that the future of Albuquerque's electronics industry may depend upon how aggressively this country pursues the development of **high-definition television (HDTV)** technology. Signetics parent firm, North American Philips, who acquired Signetics in 1975, may be excluded from the industry-wide HDTV research consortium now being formed because Signetics is owned by the Dutch electronics giant N.V. Philips. The success or failure of the HDTV consortium "will probably determine whether we have a viable electronics industry in the United States in the 21st century", according to John R. McGerigle, manager of the Signetics plant in Albuquerque. **Manpower Inc.** surveyed 14,000 employers nationwide about their future plans for staff size, and Albuquerque employers responded that for the October to December quarter, 13 percent planned increases, 10 percent expected decreases and 77 percent would keep the same staff size. Officials of **Sematech Inc.** announced on August 25 an agreement to create a national center at Sandia National Laboratories to improve the manufacture of U.S. semiconductors. Sematech, an Austin-based consortium of 14 semiconductor firms, would not disclose the dollar amount involved or the number of new jobs to be created. The "Semiconductor Equipment Technology Center" will study breakdown rates, identify troublesome components and suggest improvements for better functioning. The national management of **Digital Equipment Corp.** has asked a number of its departments to plan for a 25 percent reduction in staff and a 10 percent cut in spending. Joyce Craig, a spokeswoman for the company's local operation, said she did not know if the cuts would affect workers in Albuquerque. **Augustus Clothiers**, a family-owned clothing company based in Brooklyn, N.Y., has opened a men's clothing manufacturer outlet. **Downtown's Civic Plaza** will be torn up in

January and reopened next October with a treed park, acequias carrying water, more seating, and more shade under a trellis and arcade that will frame the plaza. Approximately $2 million will be spent on the plaza to make it more comfortable. The **Wal-Mart department store** that will anchor the **Riverwalk Marketplace shopping center** may open by Christmas. The second phase of this project at the NM 528 and Coors Boulevard intersection, which will include a 12-screen United Artists cinema, will commence shortly after the Wal-Mart is completed. Two other discount department stores, **Target** and **K-mart**, are scheduled to open in February and March of 1990 within a two-mile radius of the intersection. **Rio Rancho** was recently named the fastest growing small city in the United States by American Demographics, a national magazine specializing in population issues. **Baxter Healthcare** will be adding 20 additional employees to its expanded central accounting and financial services office in Albuquerque. **U.S. Cotton** broke ground for its plant in Rio Rancho in May with scheduled completion set for November. The plant, which could provide up to 50 jobs, will produce cotton pads and other products for removal of makeup and fingernail polish and other cosmetic uses. The company, which currently imports products from Switzerland, plans to move its headquarters from California to Rio Rancho. **Albertson's Inc.** opened its fifth Albuquerque supermarket, and 14th supermarket in New Mexico, at Rio Bravo and Isleta and will employ slightly more than 100 people. **ColorView Services Inc.** in Albuquerque will increase its work force by 24 employees in the next year-and-a-half. ColorView, with 23 employees, provides cable converter repair services to cable systems throughout the United States. **Booz, Allen and Hamilton** have been awarded a $12 million multi-year contract to provide nuclear and directed energy survivability support to the Air Force Operational Test and Evaluation Center. The contract will add at least 10 new workers to the company's Albuquerque office, which now employs about 25 people. **Bernalillo County Juvenile Detention Center** will add 23 staff positions and upgrade the center at a cost of $352,000. **Olympus Corp.** in Rio Rancho is putting finishing touches on its plant; and the company has hired some assemblers, administrators, and clerical staff. The Japanese-based company specializes in the development and manufacturing of electronic medical products. The Rio Rancho plant will manufacture fiberoptic medical instruments, or endoscopes. Albuquerque's West Side will soon have a new 98-room **Super 8 hotel**. The new hotel is expected to open by the end of February. **Reynolds Alumnium Recycling Co.** will be opening a $1 million recycling plant in Albuquerque to meet the increased recycling demand in New Mexico. According to company officials, the new plant will employ about 10 workers and will be capable of recycling 2 million pounds of alumnium a month when it opens in late December or early January. **Pack'n Post**, a new packaging and postal service business opened for business in Rio Rancho at 1512 Deborah Rd. **Godfather's Pizza** in Rio Rancho has closed its doors. About 10 employees were affected by the closure. The Albuquerque City Council agreed to loan the University of New Mexico $3 million to turn the 17,000-seat **University Arena** into a concert arena during Lobos' off-season. Remodeling of the Pit will begin as soon as the Lobos finish the 1989-90 basketball season, next spring, and will be completed before the 1990 basketball season. Construction has begun on the new **J.C. Penney** store in Coronado Center with opening date planned for early 1990. The old Penney's in Winrock will close just before the new store opens.

Alamogordo Area: **Albertson's Inc. and Walgreen's** have received approval from the Alamogordo City Council for proposed grocery and drug stores. The new stores are expected to employ up to 150 people when complete. **CTL, Inc.**, a fairly new Alamogordo electronics plant, produces circuit boards which are ultimately attached to motors. CTL employs about 30 workers, including some who are handicapped. The U.S. Navy is spending $6.1 million to build **a new rocket assembly plant** on White Sands Missile Range. SAM Corp. of El Paso, general contractor of the project, broke ground recently and plans to finish the 18,000 square-foot plant in December 1990.

Artesia / Carlsbad Area: October 21st is set for opening ceremonies for the **Federal Law Enforcement Training Center**. The FLETC will open with a staff of 30 and will ultimately employ 125 employees. Of the 125 total, about one-third will be hired locally and the other two-thirds are expected to relocate in Artesia. **Navajo Refining Co.** of Artesia has been awarded an $80 million contract for jet fuel by the Department of Defense.

Belen / Los Lunas Area: The new **Solo Cup Co. plant**, on NM 304, is undergoing construction. The employee roster will grow gradually to 200 to 250 employees in Spring 1990 with hopes for further expansion. A conceptual land use plan for the **"Los Morros Industrial Community"** consisting of 500 industrially zoned acres bounded by I-25 and NM Route 6 was presented to the Los Lunas Village

Council in late August. The council unanimously approved the land use plan for Los Morros. The new **Wal-Mart** discount department store could open as early as Thanksgiving as construction continues ahead of schedule. About 155 area residents will be employed at the store as department managers, cashiers, sales clerks, receiving clerks, and office clerks.

Bernalillo Area: **Centex American Gypsum Co.** will open a new plant in Bernalillo and its existing plant in Albuquerque will remain open. The company manufactures gypsum wallboard. The Albuquerque plant currently operates four shifts with 108 employees, and the new plant hopes to operate four shifts as well with 87 new employees.

Clovis / Portales Area: A lawsuit was filed in federal court challenging the **Clovis right-to-work** ordinance. Union leaders contend the ordinance violates federal and state law. The ordinance, which was passed by the Clovis City Commission on May 4th, prohibits an employer from negotiating a collective bargaining agreement requiring a worker to join a union as a condition of employment or continuation of employment. **Grain Processing Ltd.** has temporarily shut down operations of its Clovis plant. Grain Processing closed the plant in mid-July in order to modify its facilities, making flour its primary product instead of ethanol. The plant is expected to reopen in four to six weeks. **Cannon Air Force Base** will receive a new squadron of FB-111 aircraft from Pease Air Force Base in New Hampshire as a result of a revision in the Air Force's Base Closure and Realignment Plan. Accompanying the aircraft will be as many as 800 new military personnel with as many as 1,000 military dependents. The new personnel will be arriving at Cannon at the same time that $30 million in new construction projects are to be put out for bid. These will require up to 300 new construction workers in the Portales/Clovis area in 1990. Three brothers, all former Portales residents, have purchased the **Portales Quality Plus** store and plan to reopen the facility soon. The new store will be called Van Winkle IGA Farmers Market. **Building permits** issued in August 1989 were up in Portales with 12 issued for a total value of $141,600 compared to August 1988, which had 4 issued for a total value of $33,000. **Clovis Quality Plus** was bought by Bill and Ron Wilfong of Texas. The Wilfong brothers own and operate the B and R chain of five stores including the newly purchased Quality Plus grocery store.

Espanola / Penasco Area: **Northern New Mexico Wooddriers, Inc.** opened a wood drying business in Penasco in late August employing four full-time employees including the owner. Emory Russell, who owns grocery stores in New Mexico and Colorado, has purchased the **Espanola Quality Plus** store from Citicorp North America Inc. The store is set to reopen with a new name November 1st. Quality Plus in Espanola employed about 55 people. **Espanola Mercantile Co.**, which operates Espanola Transit-Mix Co., has shut down because of alleged violations of state air quality regulations. The Environmental Improvement Division filed a request in Santa Fe District Court seeking injunctions against Espanola Mercantile Co. **Las Conchas Pumice mine** in the Jemez Mountains is in full operation on the western five acres of the 33-acre mining site on federal land.

Farmington / Bloomfield Area: **Meridian Oil Co.** plans to build a $30 million "gathering system" methane gas pipeline in San Juan County. The BIA awarded **Indian Business Development Grants** worth almost $47,000 to help start Ricardo's Mexican Kitchen in the Tse Bit'a'i Shopping Center in Shiprock and the Nellie Frank Transport trucking company south of Farmington. **Farmington building permits** are 13 percent above last year, but this year's valuations on those permits remains below last year. The difference between this year's valuation and last year's is expected to close a little by the end of August according to building inspector Leo Hardie.

Hobbs / Lovington Area: **Bargain Time Inc.**, of Oklahoma, purchased the old TG & Y store in Lovington and has opened, employing between 10 to 15 people. Brooks Food of Albuquerque purchased the **Quality Plus** store in Lovington and will employ between 15 to 30 people. **Rotary drilling** for the Lea County area in the Permian Basin was reported at eight operating rigs.

Las Cruces Area: **Primary agricultural activities** this month include the beginning of the green chili harvest and the ongoing onion harvest. During the beginning of the harvest, some growers did experience a shortage of harvest workers, and rainfall also hampered the harvest in addition to creating "wilt" problems on certain farms. Other activities currently ongoing are the thinning of lettuce and the final cuttings of alfalfa. **Joy Canning Co.** in Las Cruces and **Mountain Pass Cannery** in Anthony, Texas began hiring for the processing of green chile. According to the Las Cruces Labor Service Center, approximately

500 to 600 individuals will be hired during the green chili processing season. Results of the latest quarterly **Employment Outlook Survey from the Las Cruces Manpower Inc.** temporary help service show signs of weakening heading into the final months of 1989. The survey findings for the 4th quarter show that 20 percent of the area employers polled plan to upgrade staff size, 13 percent expect staff depletion and 64 will stay at current levels compared to a year ago when the outlook showed 17 percent would add personnel while 7 percent were anticipating staff cutbacks. The remaining 3 percent in the 4th quarter of this year are undecided.

Los Alamos Area: **Los Alamos National Laboratory** dedicated a new 90,000 square-foot, $25 million Data Communication Center capable of housing ten supercomputers and voice and data communication equipment in August. The Los Alamos School Board voted to sell its Central School site to a **Houston development firm**, Century Development. The development firm is considering building a hotel and conference center at the site.

Raton Area: The **Pittsburg and Midway Coal Mining Co.** is planning to hire 23 union employees on a permanent basis and one supervisor in early October. With the 24 additional employees, around-the-clock operation of its dragline will begin. La Mesa Park race track closed its racing season in early September.

Ruidoso Area: **Warp Speed**, a company that produces light pens for computers and other electronic hardware and software devices, will move its operation from Los Angeles, California to Ruidoso in September. The company is expected to employ between 20 to 30 people by year end.

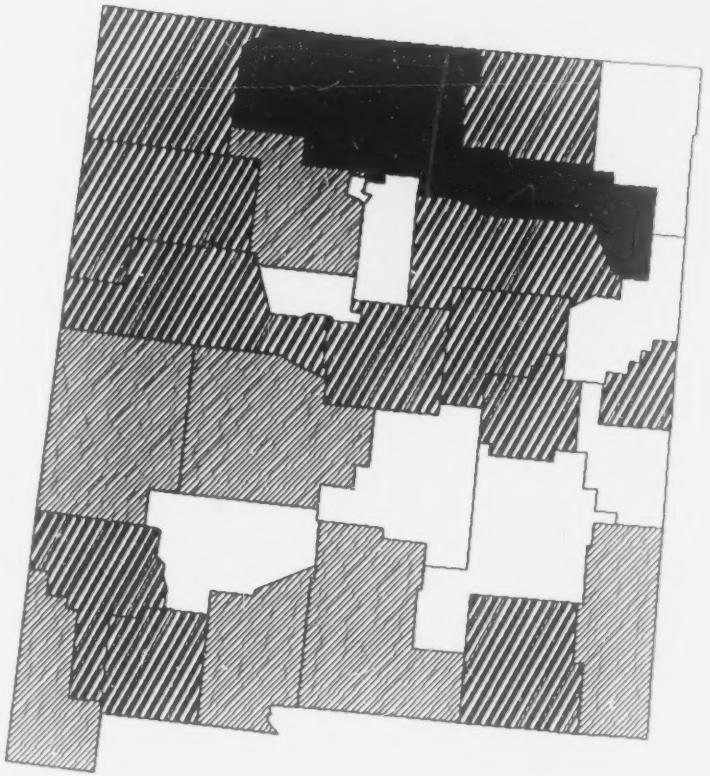
Roswell Area: Four **dairies** have relocated to the Roswell area from Arizona and California over the last year and three additional dairies are moving in from California and Colorado, according to the Chaves County Agricultural Extension Service. A year-long economic development effort has aimed at doubling last year's dairy herd and making the Roswell area attractive for development of milk, cheese and ice cream processing plants. **Anthony's Department store** will close its Roswell store in early October. **Building permits** for August were up compared to August 1988 according to the city building inspector. Fifty-three permits, valued at $1,718,003, were issued in August compared to fifty permits, valued at $549,854, issued in August of 1988.

Santa Fe Area: The **Santa Fe Historic Design Review Board** has approved plans to transform the former State Securities Building on Washington Street near the downtown plaza into a three-story 60-room hotel. A Phoenix developer has expressed interest in building a 125,000-square-foot **shopping center for factory outlet stores** near the I-25 intersection with Cerrillos Road, south of Santa Fe. Construction of the center, which could create up to 400 new jobs, is contingent on zoning approval from the Santa Fe City Council. Mayor Sam Pick is in support of a $1.3 million loan package offered to Santa Fe Economic Development Inc. by seven local banks. The non-profit industrial recruiting organization plans to use the money to build roads and install utility lines at **Valdes Center industrial park.** **Bargain Center Furniture** will close after 20 years in business at the end of the year. The store will close because its rented building is to be renovated and the rent increased. **McDonald's** fast-food restaurant is planning to open the third McDonald's in Santa Fe at St. Michael's Drive and Pacheco. The sale of the property is contingent on approval of architectural drawings by the city.

Silver City Area: **Cyprus Metals and the Sharon Steel Corp.** are studying the possibility of jointly reopening the long-closed Sharon Steel copper mine near Fierro in Grant County. The companies are encouraged by high and apparently stable copper prices. If an agreement to reopen is reached, the two companies will begin mining and could employ a little more than 100 persons. The unemployment rate in Catron County would swell if the **timber industry** ceased operations in the county, according to a report prepared by the Western New Mexico University Center for Resources and Economic Analysis. The county's timber industry is being threatened in logging areas by environmental considerations including the presence of a rare spotted-owl, recently placed on the endangered species list. The new **Wal-Mart** is hoping to fill 140 positions by the end of October.

Tucumcari Area - Thriftway Marketing, a New Mexico corporation, bought the **Grain Power-Tucumcari Ltd.** ethanol plant near Tucumcari in mid-August. The ethanol plant, renamed Grain Power of New Mexico Inc., employs 19 workers and is a major customer for milo produced by area farmers. **Daniel International** is expected to open a furniture manufacturing facility within the next 30 days, initially employing 17 workers and up to 40 workers when at full force.

New Mexico
Unemployment Rates
August 1989



Legend

- 3.5 to 5.6
- 5.6 to 7
- 7 to 12.9
- 12.9 to 24.1

NEW MEXICO LABOR FORCE ESTIMATES 1/

	PRELIMINARY AUGUST 1989				REVISED JULY 1989				REVISED AUGUST 1988			
	Labor Force	Empl	Unemp	Rate	Labor Force	Empl	Unemp	Rate	Labor Force	Empl	Unemp	Rate
STATEWIDE	694,602	648,604	45,998	6.6%	694,072	648,992	45,080	6.5%	704,976	650,011	54,965	7.8%
ALBUQUERQUE MSA 2/	267,385	252,856	14,529	5.4%	265,702	252,146	13,556	5.1%	268,542	251,966	16,576	6.2%
LAS CRUCES MSA 3/	57,290	53,354	3,936	6.9%	55,425	51,422	4,003	7.2%	57,414	53,084	4,330	7.5%
SANTA FE MSA 4/	68,226	65,816	2,410	3.5%	69,133	66,333	2,800	4.1%	70,190	66,806	3,384	4.8%
Catron	1,223	1,149	74	6.1%	1,257	1,184	73	5.8%	1,249	1,133	116	9.3%
Chaves	23,562	22,321	1,241	5.3%	23,917	22,521	1,396	5.8%	23,788	22,279	1,509	6.3%
Cibola	9,263	8,081	1,182	12.8%	9,210	8,117	1,093	11.9%	9,511	8,392	1,119	11.8%
Colfax	6,719	6,185	534	7.9%	7,029	6,521	508	7.2%	7,454	6,575	879	11.8%
Curry	16,435	15,280	1,155	7.0%	16,619	15,470	1,149	6.9%	16,650	15,443	1,207	7.2%
De Baca	856	789	67	7.8%	900	831	69	7.7%	982	883	99	10.1%
Eddy	19,855	18,311	1,544	7.8%	19,937	18,418	1,519	7.6%	20,328	18,354	1,974	9.7%
Grant	10,470	9,599	871	8.3%	10,493	9,651	842	8.0%	10,546	9,531	1,015	9.6%
Guadalupe	1,711	1,525	186	10.9%	1,742	1,556	186	10.7%	1,652	1,402	250	15.1%
Harding	364	313	51	14.0%	386	336	50	13.0%	399	349	50	12.5%
Hidalgo	2,678	2,529	149	5.6%	2,685	2,558	127	4.7%	2,577	2,402	175	6.8%
Lea	22,671	21,168	1,503	6.6%	22,887	21,319	1,568	6.9%	23,189	21,409	1,780	7.7%
Lincoln	7,442	7,119	323	4.3%	7,427	7,178	249	2.4%	7,455	7,030	425	5.7%
Luna	6,019	5,363	656	10.9%	6,006	5,360	646	10.8%	6,260	5,488	772	12.3%
McKinley	17,483	15,856	1,627	9.3%	17,574	15,896	1,678	9.5%	18,459	16,239	2,220	12.0%
Mora	1,117	859	258	23.1%	1,142	885	257	22.5%	1,314	928	386	29.4%
Otero	18,502	17,292	1,210	6.5%	18,603	17,326	1,277	6.9%	18,876	17,307	1,569	8.3%
Quay	4,622	4,366	256	5.5%	4,700	4,482	218	4.6%	4,745	4,396	349	7.4%
Rio Arriba	13,286	11,471	1,815	13.7%	13,270	11,579	1,691	12.7%	13,730	11,629	2,101	15.3%
Roosevelt	6,512	6,160	352	5.4%	6,667	6,373	294	4.4%	6,722	6,269	453	6.7%
Sandoval	28,752	26,845	1,907	6.6%	28,685	26,939	1,746	6.1%	27,974	25,862	2,112	7.5%
San Juan	33,149	29,657	3,492	10.5%	33,231	29,718	3,513	10.6%	33,737	29,545	4,192	12.4%
San Miguel	9,738	8,742	996	10.2%	9,757	8,880	877	9.0%	10,240	9,087	1,153	11.3%
Sierra	2,669	2,557	112	4.2%	2,691	2,574	117	4.3%	2,573	2,437	136	5.3%
Socorro	5,706	5,311	395	6.9%	5,683	5,292	391	6.9%	6,203	5,606	597	9.6%
Taos	9,438	7,960	1,478	15.7%	9,490	7,973	1,517	16.0%	10,127	8,058	2,069	20.4%
Torrance	3,628	3,323	305	8.4%	3,777	3,447	330	8.7%	3,561	3,231	330	9.3%
Union	1,977	1,895	82	4.1%	2,045	1,954	91	4.4%	1,999	1,878	121	6.1%
Valencia	15,854	14,552	1,302	8.2%	16,002	14,753	1,249	7.8%	16,530	15,013	1,517	9.2%

1/ All estimates are made in strict accordance with methodology provided by the U. S. Department of Labor, Bureau of Labor Statistics

2/ Metropolitan Statistical Area - Bernalillo County

3/ Metropolitan Statistical Area - Dona Ana County

4/ Metropolitan Statistical Area - Santa Fe and Los Alamos Counties

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